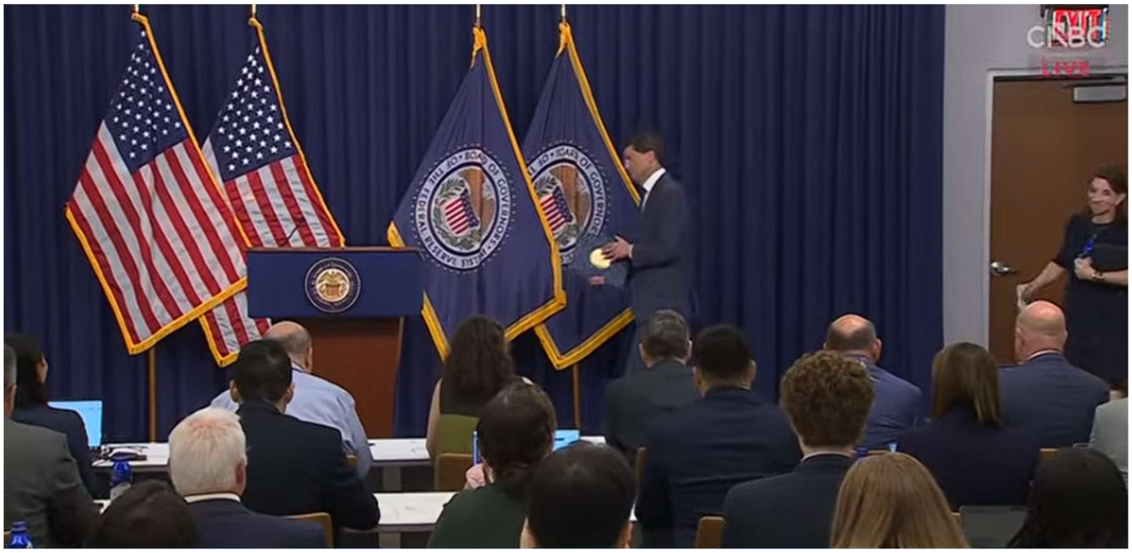
CNBC

Fed meeting recap: Warsh says Fed won’t hesitate to stop inflation, but bond market has doubts

Jeff Cox | Jul 30, 2026



This was CNBC’s live blog covering the Federal Open Market Committee decision and Chairman Kevin Warsh’s news conference.

The Federal Reserve released its latest interest rate decision on Wednesday, opting to keep rates at a range of 3.5% to 3.75%.

Though markets largely expected the Federal Open Market Committee to stay on hold, recent talk from several officials indicate there’s a sizable constituency to at least consider a hike.

Dallas Fed President Lorie Logan was most specific, saying she thinks rates should be “modestly” higher, while Cleveland Fed President Beth Hammack, Neel Kashkari of Minneapolis and Governor Christopher Waller all have made statements supportive of tighter policy should inflation persist.

Indeed, those three policymakers dissented with the Fed’s decision.

At the post-decision press conference, Fed Chairman Kevin Warsh said that while the Fed won’t provide hints on where rate policy is heading, it will take necessary steps to meet its 2% inflation goal.

“I understand the desire for rolling forecasts and commentary from this committee, but for our part, we need to observe market reaction to developments direct and unfiltered,” he said. “I want to stress, of course, that decisions by this committee matter a great deal, and where necessary and appropriate, we will not hesitate to act."

Bond yields jumped following the meeting, with the 30-year Treasury yield topping 5.2% and hitting its highest level since 2007. The rate on the 10-year yield rose more than 7 basis points to 4.677%.

Inflation numbers of late have been at least a little comforting, as a brief decline in gasoline saw the consumer price index post a surprise 0.4% drop in June. But the price break at the pump has been reversed in the past few weeks as the situation in the Middle East has been highly volatile.

"We're going to have an interesting set of data points come out between now and the September meeting," said Jerry Templeman, a former senior analyst at the New York Fed and now vice president of economics and fixed income research at Mutual of America Capital Management. "So, I don't think that we're going to necessarily be in the same position that we are today."

US President Donald Trump during an announcement in the Oval Office of the White House in Washington, DC, US, on Wednesday, July 29, 2026.

Aaron Schwartz | Bloomberg | Getty Images

President Donald Trump appeared to claim that Warsh would like to lower interest rates, but he's being held back by the policy-setting Federal Open Market Committee.

“Kevin’s fantastic, but he’s got a board,” Trump, a long-time advocate for slashing rates, said at the White House when asked if he was at all disappointed with the Fed’s decision to keep them unchanged.

“I know he’d love to see lower interest rates, but he’s got a board, and it’s a political board, and they want to keep rates up,” Trump said.

“But we fight through rates,” the president added.

— *Kevin Breuninger*